

**Cherokee County Board of Commissioners
Meeting Agenda**

November 18, 2019

6:30 P.M.

I. Call to order-Chairman

"Members of the County Board of Commissioners are advised, hereby, of their duty under the Local Government Ethics Act".

II. Invocation

III. Pledge of Allegiance

IV. Modification of Agenda

V. Agenda Adoption

VI. Public Forum

VII. Minutes

- a) October 21, 2019

VIII. Finance and Budget

- a) Budget Revision for Airport Repairs
- b) Budget Revision for Additional State Funds Received for Foster Child Adoption Assistance (No county match)
- c) Budget Revision for Schools Use of Designated Sales Tax for Property Acquisition for School of Innovation
- d) Budget Revision for Valley River Park Camera System
- e) Budget Revision for Murphy Senior Center Roof Replacement
- f) CCHD Birth Control Fee Proposal

IX. New Business

- a) Sarah Thompson-Southwestern Commission Annual Report
- b) Mike Lindsay-Airport Lease Extension Request (This item was tabled to this meeting date)

- c) Tax Releases
- d) Tax Refunds
- e) Adopt 2020 Schedule of Values
- f) Adopt Airport Lease
- g) Hanging Dog Convenience Center-Cameras and 24/7 Access
- h) Landfill Update

X. County Manager Items

XI. Chairman/Commissioner Items

XII. Closed Session-Pursuant to §143-318.11 (a) (3) to consult with the county attorney, in order to preserve the attorney-client privilege.

XIII. Adjourn

Cherokee County Board of Commissioners
Regular Meeting Minutes
October 21, 2019
6:30 P.M.
Cherokee County Courthouse

Members present: Gary Westmoreland, Chairman; Roy Dickey, Vice-Chairman; Cal Stiles, member; Dr. Dan Eichenbaum, member; and C.B. McKinnon, member.

Staff present: Maria Hass, Assistant County Manager and Clerk to the Board; Candy Anderson, Finance Officer; and Darryl Brown, County Attorney.

Meetings are recorded by Local TV 4 and WKRC Radio Facebook Live.

I. Call to Order

II. Ethics Statement

Ethics statement read by Chairman.

III. Invocation

IV. Pledge of Allegiance

V. Agenda Adoption

Motion made by Commissioner Stiles to adopt the agenda. Motion seconded by Commissioner Dickey. Motion passed unanimously.

VI. Public Forum

Aurelia Stone asked the Board to consider adopting a land-use ordinance to prevent overgrazing of pastures and run-off in streams. She suggested the ordinance require two acres of land for first horse, and one acre for each additional horse.

VII. Minutes

Motion made by Commissioner McKinnon to approve the minutes of September 16, 2019, following amendment. Motion seconded by Commissioner Eichenbaum. Motion passed unanimously.

VIII. Finance and Budget

Motion made by Commissioner Stiles to approve a budget revision for Cooperative Extension to use hay-cutting revenues for their volunteer awards ceremony. Motion seconded by Commissioner Eichenbaum. Motion passed unanimously.

Motion made by Commissioner Dickey to approve a budget revision for Cherokee County Schools request for use of sales tax for multiple school projects. Motion seconded by Commissioner Stiles. Motion passed unanimously.

Motion made by Commissioner Stiles to approve a budget revision for use of federal forfeiture funds and sheriff's designated funds for new K-9 and K-9 officer training expenses. Motion seconded by Commissioner Dickey. Motion passed unanimously.

IX. New Business

Annette Ensley, owner of Double 00 Farms, came before the Board to request the Board establish an Animal Control Ordinance Board in an effort to help the sheriff and the county broaden the current animal control ordinance, so that it would be more enforceable. She discussed the NC General Statutes surrounding illegal treatment of animals and a petition for cost of care. Ms. Ensley thanked the Board for supporting an animal control officer within the sheriff's department. The Board thanked MS. Ensley for coming.

Motion made by Commissioner McKinnon to approve tax releases. Motion seconded by Commissioner Eichenbaum. Motion passed unanimously.

Motion made by Commissioner Dickey to approve the tax refund report. Motion seconded by Commissioner Stiles. Motion passed unanimously.

Motion made by Commissioner Westmoreland to table the request by Mike Lindsay for an airport hangar lease extension. Motion seconded by Commissioner Dickey. Motion passed unanimously. The extension request will be brought back before the Board at their November 18th board meeting.

Motion made by Commissioner McKinnon for county administration to send a letter to the USFS instructing them that they are to enter into the current land-use agreement with Gayland Trull, instead of Cherokee County, for staging fire-fighting aircraft at the east-end of the airport. Motion seconded by Commissioner Eichenbaum. Voting in favor of the Motion was Commissioners McKinnon, Eichenbaum, Westmoreland, and Dickey. Voting against the Motion was Commissioner Stiles. Motion passed.

The assistant county manager presented a landfill update, highlighting that the county expects to receive the NC Department of Environmental and Natural Resources (NCDENR) permit to start filling Cell 2 by November 18th, and to have final (NCDENR) approval for Cell 1 by December 31st.

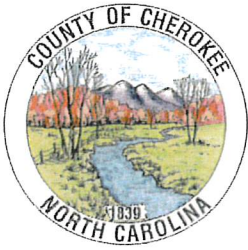
Motion made by Commissioner Stiles to approve a two-story/split level design for EMS Station 1. Motion seconded by Westmoreland. Voting in favor of the Motion was Commissioners Stiles, Westmoreland, and Dickey. Voting against the Motion was Commissioners Eichenbaum and McKinnon. Motion passed.

Motion made by Commissioner Stiles to utilize Cooperative Extension funds for improvements to the Konehete Park recreation office and meeting room. Motion seconded by Commissioner McKinnon. Motion passed unanimously.

X. Adjournment

There being no further business, a Motion was made by Commissioner Stiles to adjourn. Motion seconded by Commissioner Dickey. Motion passed unanimously. Meeting adjourned at 7:13 PM.

DRAFT



CHEROKEE COUNTY

75 Peachtree Street
Murphy, NC 28906
825-837-5527

Randy Wiggins, County Manager
Candy R. Anderson, Finance Officer
Darryl Brown, County Attorney

Board of Commissioners
Gary Westmoreland, Chairman
Roy Dickey, Vice Chairman
Dan Eichenbaum
C.B. McKinnon
Cal Stiles

BUDGET REVISION

11/18/2019

(DECREASE)

INCREASE

1099800-48880	Contingency
1094500-43520	Equipment Repair

(8,152.00)
8,152.00

Repair of airport PAPI's, REILs, and runway regulators.

Chairperson

11/18/2019

WALKER & WHITESIDE, INC.

ELECTRICAL CONTRACTORS
P. O. BOX 5777
GREENVILLE, SOUTH CAROLINA
29606-5777
864-242-4820



Western Carolina Regional Airport
Attn: Gayland Trull
5840 Airport Road
Andrews, NC 28901

Date: October 29, 2019
Invoice No: 612-45178
P.O. No: Western Carolina Reg AP
Vendor No: 19-465

Western Carolina Regional AP

Reference: Repair PAPI's and REILs:	6879.00
Repair PAPI and Runway Regulators:	1273.00

Total Amount Due **8,152.00**

WESTERN CAROLINA REGIONAL

We received a call from Gayland stating the REIL were not operating.

The radio that controls the REIL would not key up with the radio. We replaced the decoder board, and the photocell. The radio would key up on low and medium but high would still not work. We attempted to de-energize the circuit and the panel that feeds the REIL system was in bad shape. There is bare wire, and some variation of a nest inside the panel. We could not de-energize the circuit due to these issues. We spoke to Gayland to have a county electrician come out to repair or replace the panel and wire inside.

As we were testing the REIL in low and medium, we noticed neither units flashed like they should. After troubleshooting all the components that was common to these issues we decided to re-program the boards. After reprogramming the boards both units flashed like they should.

We left everything operating in "remote".

We will return to complete the repairs on the radio when we know it is safe to de-energize the REIL circuit.

Phillip Rainey
Walker & Whiteside
March 29, 2019

We returned to complete our repairs on the REIL. We also brought parts to repair the PAPI.

We replaced the chassis of the radio control unit. Once we replaced the chassis of it was working as it should. We also removed the blown surge arrestor in the power and control box.

We proceeded to the PAPI on RW 8. We replaced one lamp in the outboard unit.

We proceeded to the PAPI on RW 26. We replaced 2 lamps in the inboard unit, and we replaced one lamp in the outboard unit. We also replaced the tilt switch board in the inboard unit.

We left all controls operating in "remote"

Mike Murphy
Walker & Whiteside
August 26, 2019

Western Carolina Regional PAPI

We received a call from Gayland stating the PAPI were out on both ends of the Runway.

We replaced the tilt switch board in the master unit along with 2 bulbs on Runway 26.

We proceeded to Runway 8. We replaced the tilt switch board on the secondary unit. We also replaced all 4 lamps in the PAPI on runway 8.

We proceeded to work on the regulators in the vault. When we walked in the vault the PAPI was operating at 4.1A and the Runway was operating at 3.4A. We noticed the capacitors were bad in the Runway and PAPI regulator. We took the good capacitors out of the PAPI regulator to put in the Runway regulator. The runway regulator now operated at 5.1A max. We will return to the airport to replace the bad capacitors.

We left the runway operating in "remote". We left the PAPI regulator off.

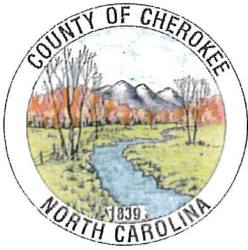
Phillip Rainey
Walker & Whiteside
January 17, 2019

We returned to complete our repairs of the regulators.

We replaced 4 capacitors in the runway regulator and it operated at 6.6A max as it should. We also replaced 6 capacitors in the PAPI regulator and it then operated at 6.6A max like it should.

We left all controls operating in "remote".

Phillip Rainey
Walker & Whiteside
March 2, 2019



CHEROKEE COUNTY

75 Peachtree Street
Murphy, NC 28906
825-837-5527

Randy Wiggins, County Manager
Candy R. Anderson, Finance Officer
Darryl Brown, County Attorney

Board of Commissioners
Gary Westmoreland, Chairman
Roy Dickey, Vice Chairman
Dan Eichenbaum
C.B. McKinnon
Cal Stiles

BUDGET REVISION

11/18/2019

(DECREASE)
INCREASE

1045300-35334	State Foster Care Revenue	5,229.00
1095300-46086	Foster Child Cost of Care (Adoption Asst)	5,229.00

Additional State funds to provide cost of care for a foster child. No county match.

Chairperson

11/18/2019



CHEROKEE COUNTY

75 Peachtree Street
Murphy, NC 28906
825-837-5527

Randy Wiggins, County Manager
Candy R. Anderson, Finance Officer
Darryl Brown, County Attorney

Board of Commissioners
Gary Westmoreland, Chairman
Roy Dickey, Vice Chairman
Dan Eichenbaum
C.B. McKinnon
Cal Stiles

BUDGET REVISION

		11/18/2019
		(DECREASE)
		INCREASE
1010000-39993	School Designated FB *** <i>(See Balance Below)</i>	205,575.00
1095911-46342	School Restricted Sales Tax Expenses	205,575.00

*** School Designated Fund Balance (as of 11/12/19)	3,241,214.00
Less: Requested Expenses	(205,575.00)
New School Designated Fund Balance	<u>3,035,639.00</u>

Use of Restricted/Designated School Sales Tax Fund Balance to provide the matching funds with the Needs-Based Public School Capital grant in order to purchase property for the School of Innovation project.

Chairperson

11/18/2019

Cherokee County Schools

Dr. Jeana Y. Conley, Superintendent
911 Andrews Road, Murphy, NC 28906
(828) 837-2722 ~ Fax (828) 837-5799
www.cherokee.k12.nc.us

October 21, 2019

Mr. Randy Wiggins, County Manager
Cherokee County
75 Peachtree Street
Murphy, NC 28906

Re: Purchase Contract of Reel Property

Dear Mr. Wiggins,

On October 10, the Cherokee County Board of Education approved entering into a Purchase Contract for 27.41 acres located just south of Tri-County Community College. The property will be used to build the new Schools of Innovation and the location to Tri-County Community College is ideal as many of our students that attend the new school will also take classes at the community college.

The negotiated purchase price is \$822,300 or \$30,000/acre. A copy of the contract is attached. Please note the contract has a slightly lower purchase price; however, the contract required a survey to be performed and the purchase price would increase or decrease based upon the actual acreage of the parcel.

In accordance with N.C.G.S. 155C-426, the Cherokee County Board of Education is requesting the County Commissioners approve the Board's purchase of the property. The Board shall utilize a mixture of grant funds received from the State of North Carolina and current capital funds held in reserve. Please note that the purchase contract requires the county to approve the purchase or the contract is void.

Please let us know if you have any questions.

Thank you,



Jeana Y. Conley, Ed.D
Cherokee County Board of Education
Superintendent of Schools

Board of Education

Mr. Jeff Tatham, Chair, Mr. Tim West, Vice Chair, Mr. Arnold Mathews, Scribe,
Mrs. Keesha Curtis, Dr. Jeff Martin, Mr. Joey Shore, and Mr. Joe Wood
An Equal Opportunity/Affirmative Action Employer

DISTRIBUTION REQUEST
NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND
NORTH CAROLINA EDUCATION LOTTERY
Date of Request: OCTOBER 21, 2019

DPI USE ONLY

Approved:

Date:

County: CHEROKEE COUNTY
 Address: 75 PEACHTREE STREET, MURPHY NC 28906
 LEA: CHEROKEE COUNTY SCHOOLS #200
 Address: 911 ANDREWS ROAD, MURPHY NC 28906

Contact Person: STEPHANIE HASS
 Title: CFO
 Phone: 828-837-2722 EXT: 2421
 Email: STEPHANIE.HASS@CHEROKEE.K12.NC.US

Project Title: SCHOOLS OF INNOVATION AND TECHNOLOGY

Project Address: REEL FAMILY PROPERTY LLC, PARCEL # 551103446590000 (CHEROKEE COUNTY, NC)

The Needs-Based Public School Capital Fund was established by S.L. 2017-57, Sec. 5.3, and modified by S.L. 2017-212, Sec. 1.1 and S.L. 2018-5, Sec. 5.3. The purpose of the Fund is to assist lower wealth counties (development tier one and tier two counties) with their critical public school building capital needs. Grant funds must be used for construction of new school buildings only, and cannot be used for real property acquisition. Grant funds may be utilized for a lease agreement per S.L. 2018-5, Section 5.3.(e2). This Distribution Request Form is not to be used for reimbursement of lease payments.

Project Costs	State Grant	Local Match	Total
Planning / Design	\$ 616,725.00	\$ 205,575.00	\$ 822,300.00
Construction	\$	\$	\$
Other (or Lease)	\$	\$	\$
Total	\$	\$	\$

Designer: ARCHITECTURAL DESIGN STUDIO / PFA ARCHITECTS, P.A.

Date of Design Contract: OCTOBER 10, 2019

Bid Date (check one ☒ actual ☐ estimated): MAY 30, 2019 (RFQ) SEPTEMBER 3, 2019 (AWARD)

Contractor: WELLS & WEST, INC.

Date of Construction Contract: OCTOBER 10, 2019

Construction Start Date (check one: ☐ actual ☒ estimated): SEPTEMBER 2020

Construction Completion Date (check one: ☐ actual ☒ estimated): APRIL 2022

Local Matching Fund Requirements: Tier 1 County = \$1 Local to \$3 State | Tier 2 County = \$1 Local to \$1 State

Source(s) of matching funds: ARTICLE 40/42 SALES TAX

Expenditures as of (date): <u>10-21-19</u>	State Grant	Local Match	Total
Planning / Design	\$	\$	\$
Construction	\$	\$	\$
Other (or Lease)	\$	\$	\$
Total	\$ 0	\$ 0	\$ 0

Grant Funds Requested	Prior Requests	This Request	Total
	\$ 0	\$ 616,725.00	\$ 616,725.00

Supporting Documentation: *At DPI's request, submit documentation to DPI substantiating project expenditures identified here.*

Reporting Requirements

We, the undersigned, agree to submit a report describing the progress of this project, including State and Local amounts expended, as follows: 1) with each distribution request; 2) annually on or before April 1 of each year; and 3) within 90 days following completion of the project (final payment). We certify that the project herein described is within the parameters established by legislation (S.L. 2017-57, Sec. 5.3; S.L. 2017-212, Sec. 1.1; S.L. 2018-5, Sec. 5.3) and that all the required local funding is available and designated as a Local Match for this project. We certify that Local Matching Funds are derived from non-State and non-Federal funds and will be expended along with Needs-Based Grand funds as the project progresses.

(Signature - Chair, County Commissioners)

(Date)

(Signature - Chair, Board of Education)

(Date)

OFFER TO PURCHASE AND CONTRACT

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between the Cherokee County Board of Education ("Buyer"), and Reel Family, LLC (the "Seller").

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property":

☒ If this box is checked, "Property" shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference, together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on **Exhibit A**. (For information purposes, the tax parcel number of the Property is: 551103446590000.)

\$816,000

(b) "Purchase Price" shall mean the sum of EIGHT HUNDRED SIXTEEN THOUSAND AND NO/100 Dollars, *payable on the following terms:*

\$10,000.00

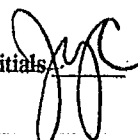
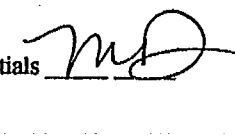
(i) "Earnest Money" shall mean TEN THOUSAND AND NO/100 Dollars. Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with CAMPBELL SHATLEY, PLLC to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.

\$806,000

(ii) Cash, balance of Purchase Price, at Closing in the amount of EIGHT HUNDRED SIX THOUSAND AND NO/100 Dollars.

The Purchase Price above is contingent upon the actual total acreage of the Property. The Buyer shall have a boundary-line survey prepared during the Examination Period. Should the survey determine the Property is larger or smaller than 27.2 acres, the Purchase Price will be recalculated at \$30,000 per acre.

(c) "Closing" shall occur on or before a date that is thirty (30) days after the expiration of the Examination Period.

- (d) **"Contract Date"** means the date this Agreement has been fully executed by both Buyer and Seller and the purchase price and Agreement have been given final approval by the Cherokee County Board of Commissioners and the Cherokee County Board of Education, respectively.
- (e) **"Examination Period"** shall mean the period beginning on the Contract Date and extending for a period of sixty (60) days from the Contract Date, exclusive of the Contract Date itself. ***TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.***
- (f) **"Seller's Notice Address"** shall be as follows:
 Reel Family, LLC
 c/o Mr. Noland Smith
 203 Peachtree St.
 P.O. Box 491
 Murphy, NC 28906
- (g) **"Buyer's Notice Address"** shall be as follows:
 Dr. Jeana Conley
 Cherokee County Schools
 911 Andrews Rd.
 Murphy, NC 28906
- (h) Additional terms of this Agreement are set forth on **Exhibit B** attached hereto and incorporated herein by reference.

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities, if any, shall be prorated as of the date of Closing. Provided, however, that any taxes for prior years that come due or are subject to recapture due to a deferral shall be borne solely by the Seller. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following: N/A.

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following: N/A

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies, surveys and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than the Seller's default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Section 5. Evidence of Title: Seller agrees to convey fee simple marketable and insurable title to the Property free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on **Exhibit A**) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, which must be made expressly and in writing) of the following conditions:

(a) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(b) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

(c) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at all times, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality as permitted by law. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and, to the extent allowed by law, agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Except as provided in Section 6(c) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.** In the event that the Buyer chooses not to purchase the Property pursuant to this subsection 6(c), the Buyer agrees to share with the Seller the results and reports of the inspections the Buyer caused to be performed during the Examination Period.

Section 7. Leases: Seller affirmatively represents and warrants that there are no Leases affecting the Property.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including without limitation, any material waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls,

(iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. § 1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a general warranty deed unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on Exhibit A, an owner's affidavit, lien waiver forms and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. Each Seller's spouse shall join in the conveyance, as required by applicable law. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until Closing has taken place.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered by hand-delivery and/or electronic mail to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any): None.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state of North Carolina.

Section 18. Assignment: This Agreement is not assignable unless otherwise agreed to by the Parties.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

BUYER

The Cherokee County Board of Education

By: 

Name: Dr. Jeana Conley
Title: Superintendent

Date: _____

SELLER

By: 

Reel Family, LLC, Member/Manager

Name: MARY DOUGLAS

Date: SEPTEMBER 26 2019

SELLER

By: 

Reel Family, LLC, Member/Manager

Name: MARY DOUGLAS

Date: SEPTEMBER 26 2019

EXHIBIT A

Being the approximate 27.2 acres abutting the northwest corner of the intersection of U.S. Highway 64 and U.S. Highway 64 Alt. in Murphy, NC, and being a portion of the property described in that deed dated December 20, 1999 from Bennie Jo Reel to the Reel Family, LLC recorded in Deed Book 885 at page 148 in the Office of the Cherokee County Register of Deeds, herein the "Property." "Property" shall also include the granting of appurtenant easements and rights-of-way.

During the Examination Period, Buyer shall have a survey prepared to provide a more particular description.

EXHIBIT B
(Additional Contingencies)

In addition to and not in limitation of the inspections that the Buyer is entitled to make pursuant to section 6(c) of this Agreement, the Buyer shall be entitled to make specific inspections, examinations, assays, borings, core samples, drillings and/or any other means of assessment in the sole discretion of the Buyer to determine the fitness of the Property for the Buyer's intended use, including but not limited to assessment of wetlands disruption or reclamation, geotechnical exploration and/or seismic assessments, and/or testing of soil suitability for supplies of potable water and the disposal of wastewater. If the Buyer determines, prior to the expiration of the Examination Period and in its sole discretion, that the Property is unsuitable for its intended use do to conditions related to these or any other inspections or examinations, the Buyer may terminate this Agreement and shall in that event be entitled to a full refund of the Earnest Money. The terms of section 6(c) of this Agreement shall apply to investigations pursuant to this contingency.

This Agreement is contingent on the Buyer's intended use of the Property being and remaining legally permissible through the Closing Date, and must not be prohibited by any law, regulation, or other authority of any kind or description, including but not limited to zoning laws or environmental regulations. Provided, however, that where one or more administrative or legal process may be employed to render the Buyer's intended use of the Property permissible, the Buyer may in its sole discretion and at its sole expense elect to engage in such process. Then and in such event, the Seller agrees to reasonably cooperate with the Buyer successfully complete such process.

This Agreement is contingent, as a condition subsequent, upon approval in open session by the Cherokee County Board of Education, upon a duly called meeting of the Board. Buyer agrees to use its best efforts to secure such approval as required by law, but in no case later than thirty (30) days after acceptance of this Agreement by Seller.

This Agreement is further contingent, as a condition subsequent, upon approval of the purchase price by the Board of County Commissioners for Cherokee County pursuant to G.S. §115C-426.



CHEROKEE COUNTY

75 Peachtree Street
Murphy, NC 28906
825-837-5527

Randy Wiggins, County Manager
Candy R. Anderson, Finance Officer
Darryl Brown, County Attorney

Board of Commissioners
Gary Westmoreland, Chairman
Roy Dickey, Vice Chairman
Dan Eichenbaum
C.B. McKinnon
Cal Stiles

BUDGET REVISION

		11/18/2019
		(DECREASE)
		INCREASE
1016122-36196	Contributions	2,139.00
1099800-48880	Contingency	(539.00)
1096122-42600	Supplies	2,678.00

Purchase camera system for Andrews Rec Park to be installed by County's I.T. staff. Town of Andrews will contribute 1/2 the cost.

Chairperson

11/18/2019

340b Birth Control Method	Per unit cost	Amount Used 1/1/2018 - 12/31/2018	Amount for each method	Average Cost/Proposed Fee
Ortho TriCyclen (TriSprintec)		\$2.85	278	\$792.30
Ortho TriCyclen Lo (TriLo Marzia)		\$0.98	25	\$24.50
Cyclafem (Nortrel)		\$3.11	235	\$730.85
Ortho Micronor		\$20.15	28	\$564.20
Junel Fe		\$1.64	84	\$137.76
Cryselle		\$2.96	27	\$79.92
Nuvaring		\$2.80	42	\$117.60
Total			719	\$2,447.13
				\$3.40

Depo Pricing	340b cost/Acquisition Cost	Medicaid will be charged	Private Insurance/Self-pay will be charged
Depo Provera 150mg		0.01	\$0.01 \$0.33 per unit or \$49.50
Depo Provera 104mg		8.39	8.39 \$0.48 per unit or \$49.92

Plan B Pricing		
Emergency Contraception		
Acquisition Cost and Private		
Insurance/Self-Pay Cost	\$3.69	Medicaid and Private Insurance/Self-Pay will all be charged \$3.69

LARCs

	Acquisition Cost/Medicaid Cost	Private Insurance/Self-Pay Cost
Nexplanon	\$425.38	\$917.00
Mirena	\$301.53	\$928.00
Skyla	\$423.36	\$845.00
Paragard	\$239.48	\$826.00
Liletta	\$47.04	\$707.00

October 1, 2019

To: County of Cherokee

Due to the extra features and the money spent on multiple improvements (listed below), I request an extension of my hangar lease from the current expiration to December 31, 2039.

Improvements to hangar since original construction (in addition to the expansion):

- Tongue and groove wood paneling
- One 190,000 BTU gas heater
- Four heat pump/air conditioners
- One complete bath with a tankless water heater
- Plumbing for two additional bathrooms
- Complete office with interior glass
- Complete bedroom with one-way mirrored glass inside and exterior window
- Two additional exterior doors
- Approved septic system
- Two 10' x 10' roll-up doors
- All interior walls finished/painted
- Both sides of hangar and rear, paved with twelve-foot wide asphalt

Michael Lindsay
Bryson City, N.C.

To begin Jan 1, 2020

AMENDED HANGAR LEASE AGREEMENT

This Amended Hanger Agreement, made this the 7th day of April, 2014, by and between the **COUNTY OF CHEROKEE** (hereinafter referred to as the "County") referred to hereinafter as the "Lessor"; and, **MICHAEL G. LINDSAY**, a resident of Swain County, North Carolina (hereinafter referred to as "Lessee");

WITNESSETH:

WHEREAS, pursuant to and as authorized by Chapter 63 of the North Carolina General Statutes the County of Cherokee entered into agreements for the purpose of improving, maintaining, equipping, operating and regulating airports owned by the County; and,

WHEREAS, the Cherokee County Airport Commission, which was a party to the original Hangar Lease Agreement dated December 31, 2009, has been abolished by the Cherokee County Board of Commissioners and said Airport Commission is no longer a necessary party to this Amended Hangar Lease Agreement; and,

WHEREAS, the County of Cherokee has heretofore leased to Michael G. Lindsay a portion of the land located at the Western Carolina Airport ("Airport"), for construction of improvements, namely a "T-Hangar", to be used, when completed, for the storage of aircraft, and for the uses and purposes hereinafter mentioned, said Hangar Lease Agreement being dated December 31, 2009; and,

WHEREAS, Lessee has heretofore constructed said Hangar, but intends to make an addition to the existing hangar thereby enlarging the size of the existing hangar whereby the size of the Lessee's hanger will be 68 feet wide by 86 feet deep which will also increase the value of said hangar; and,

WHEREAS, Lessee desires to and is willing to expand his existing Hangar in exchange for extending his existing Hangar Lease Agreement for four (4) additional years period, with a 15-year renewal period as set forth in the December 31, 2009 Hangar Lease Agreement, and an abatement of all County property taxes upon the improvements and appurtenances (excluding personal property of Lessee) placed thereon by Lessee; and,

WHEREAS, the County of Cherokee Board of Commissioners has heretofore approved this Amended Hangar Lease Agreement at it regular meeting on April 7, 2014; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth and enumerated, the parties hereby agree that the December 31, 2009 Hangar Lease Agreement by and between the County of Cherokee, Lessor, and Michael G. Lindsay, Lessee, is hereby amended and modified as follows:

1. **TERM:** The term of this amended lease ("Initial Term") shall be for twenty (20) years, beginning on

the date on which construction of the expansion and improvements to Lessee's existing Hangar are completed and finished and Lessee is able to occupy said Hangar with said expansion and improvements. Provided, that the Initial Term of Lessee's Term as amended and modified shall terminate and end twenty (20) years from the date the expansion and improvements to Lessee's existing Hangar are completed and finished or on June 30, 2035 if the date Lessee completes the construction of the expansion and improvements to Lessee's existing Hangar cannot be determined by Lessor.

It shall be the sole duty and responsibility of Lessee to obtain all necessary building and construction permits required in the construction of the expansion and improvements to Lessee's existing Hangar.

It shall be the sole duty and responsibility of Lessee to inform Lessor of the date on which construction of the expansion and improvements to Lessee's existing Hangar are completed and finished and Lessee is able to occupy said Hangar with said expansion and improvements.

Lessor reserves the right to conduct its own inspection of Lessee's Hangar to independently ascertain and determine date on which construction of the expansion and improvements to Lessee's existing Hangar are completed and finished and Lessee is able to occupy said Hangar with said expansion and improvements.

In the event that Lessee elects not to make the expansion and improvements anticipated by this Amended Hangar Lease Agreement, the term of Lessee's lease shall remain the same as set forth in Lessee's original Hangar Lease Agreement dated December 31, 2014 and this Amended Hangar Lease Agreement shall be null and void.

2. COMMENCEMENT OF CONSTRUCTION OF EXPANSION: Lessee intended to begin construction of the expansion of his Hangar on or before _____.

3. INCORPORATION OF ORIGINAL HANGAR LEASE AGREEMENT: The original Hangar Lease Agreement dated December 31, 2009, between Lessor and Lessee is attached hereto as Exhibit "1" and is incorporated by reference herein as if fully copied verbatim herein. Except as amended hereby all the terms and conditions of original Hangar Lease Agreement dated December 31, 2009, between Lessor and Lessee shall remain the same.

IN WITNESS WHEREOF, the Lessor has caused this Amended Hangar Lease Agreement to be executed by its duly elected and authorized Chairperson, and attested by its Clerk, and its official seal affixed; and, Lessee has executed the amended Lease Hangar Lease Agreement, the day and year first above written.

LESSOR:
COUNTY OF CHEROKEE
BOARD OF COMMISSIONERS

By: D. D. Wood
Chairman

Attest: [Signature]
Clerk to the Board

(OFFICIAL SEAL)

LESSEE:
MICHAEL G. LINDSAY

Michael G. Lindsay (SEAL)

Witnessed: Ralph Moore

HANGAR LEASE AGREEMENT

This Agreement, made this the 31 day of December, 2009, by and between the COUNTY OF CHEROKEE (hereinafter referred to as the "County") and the CHEROKEE COUNTY AIRPORT COMMISSION (hereinafter referred to as "Commission"), collectively referred to hereinafter as the "Lessor"; and, Mike Lindsay, a resident of the State of North Carolina (hereinafter referred to as "Lessee");

WITNESSETH:

WHEREAS, the County of Cherokee is authorized by Chapter 63 of the North Carolina General Statutes to enter into agreements for the purpose of improving, maintaining, equipping, operating and regulating airports owned by the County and overseen by the Commission; and

WHEREAS, Lessee desires to lease a portion of the land located at the Andrews-Murphy Airport ("Airport"), for construction of improvements, namely "Hangar", to be used, when completed, for the restoration and storage of aircraft, and for the uses and purposes hereinafter mentioned; and,

WHEREAS, the County and Commission are without funds with which to construct said Hangar, which would improve and benefit the Airport property; and,

WHEREAS, Lessee is willing to construct said Hangar in exchange for a "rent-free" lease of the site and improvements for a 20-year period, a 15-year renewal period, and an abatement of all County property taxes upon the improvements and appurtenances (excluding personal property of Lessee) placed thereon by Lessee.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth and enumerated, the parties hereby agree as follows:

1. TERM: The initial term of this lease ("Initial Term") shall be for twenty (20) years, beginning on that date on which construction of all improvements contemplated hereunder are finished and Lessee is able to occupy said Hangar, and ending upon that date which is 20 years thereafter. At the end of the initial term, Lessee shall have the option and right of first refusal to lease the premises for an additional period of fifteen (15) years (the "Renewal Period"). Lessee shall provide written notice to the County of its intention to exercise the option for the Renewal Period at least 120 days prior to the expiration of the Initial Term.

2. RENT:

(a.) In lieu of rental payments upon the Premises during the Initial Term, Lessee shall construct, at its sole cost and expense, a Hangar in accordance with those certain standards and specifications attached hereto as Exhibit "A". The cost of constructing and maintaining said Hangar shall be deemed payment in full for the Initial Term of this lease.

(b.) If Lessee exercises its option for the Renewal Period, as provided above, Lessee shall pay the County on a monthly basis the fair rental value of said Premises based on competitive rates for like hangar space at airports located within a fifty (50) statute mile radius of Andrews-Murphy Airport. The County and Lessee shall determine and agree upon said rental rate on each anniversary of the option period. In the event that County and Lessee cannot agree upon such rental rate, the default rental rate shall be the rental rate in effect for the immediately preceding rental period (the monthly rental rate for the initial rental period shall be deemed to be \$500.00 per month), plus the rate of increase in the Consumer Price Index (or most nearly equivalent index) as determined and published by the U.S. Government for the prior calendar year.

3. PREMISES: The Premises upon which the Hangar shall be constructed shall be north of a hangar leased to Jerlee Aviation (BIPE) and share a taxilane with "Row A" of the T-Hangars, as identified on the County's Airport Layout Plan, a copy of which is labeled Exhibit "B" and attached hereto. This lease shall include as an appurtenance to the Premises, all reasonable and necessary rights of access, ingress, and egress for aircraft and vehicles of said Lessee, permitted Assignees and Sublessees, upon all roadways, taxiways, runways, and other common or public areas of the Airport (the "Premises"). Other than exclusive access to the Hangar, Lessee shall have non-exclusive access to the Airport and appurtenant common areas.

4. USE OF PREMISES: The use of the Premises permitted under this Lease shall be as follows:

(a.) The Premises shall be used primarily for the restoration and storage of aircraft owned by Lessee and clients, permitted Assignees and Sublessees, and shall not be used as general storage facilities for non-

aeronautical uses. However, any person operating an aircraft stored the Hangar shall be permitted to park their vehicle and boat in said Hangar;

- (b.) Equipment and supplies related to the maintenance, upkeep, and operation of said aircraft may be stored in the Hangar, as well as aviation fuel if stored safe and non-leaking containers under proper precautions. Said storage and non-leaking container shall only be used for fuel not available at the airport or purchased from the Fixed Base Operator. Any container in excess of five gallons shall require the written approval of the Commission. Further, said aviation fuel shall only be for use by the Lessee and not for resale;
- (c.) The Hangar shall not be used for any illegal activity. Provided, however, that nothing stated in this Agreement shall prohibit Lessee or permitted assignees from performing maintenance or other preventative or restorative services on aircraft stored in the Hangar, or from making such reasonable use of the Hangar as is permitted under current rules, regulations, or advisory circulars of the Federal Aviation Administration.

5. MAINTENANCE AND REPAIRS: Lessee shall maintain and repair the Hangar and all utility services to said Hangar, except for structural damage caused by fire, storm, or other casualty. Such maintenance and repair shall include roof, walls, foundation, pavement for access to its individual Hangar, plumbing, heating, cooling, electrical equipment, and painting. The County shall maintain and repair the common area including the access road, taxilanes and taxiways, and shall be responsible for structural damage caused by fire, storm, or other casualty. Structural damages that are the responsibility of the County are items typically covered by fire, windstorm, or extended coverage insurance. Lessee shall be solely responsible for upkeep of the exterior of said Hangar, and agrees to keep the area immediately surrounding the Hangar reasonably clean and free of trash and other debris.

6. INSURANCE: The County shall carry fire, windstorm, and extended coverage insurance insuring the improvements constructed by Lessee or those owned by the County in such amount as the County shall deem appropriate, but in an amount not less than the insurable value of the structure. Lessee acknowledges that it has no rights or interest regarding such insurance or the proceeds derived therefrom, which proceeds shall belong solely to the County; provided, however, that the County agrees that in the event of damage to the Hangar caused by fire or storm or other loss which is covered by such insurance, such insurance proceeds attributable to such loss shall be used to repair and/or reconstruct the improvements. Lessee shall carry insurance against fire and other risk upon its contents and improvements made by Lessee which are not intended to become fixtures of the leased property. The County acknowledges that it has no rights or interest regarding such insurance or proceeds derived therefrom, which shall solely belong to Lessee. The Lessee shall maintain general liability insurance for a minimum of \$500,000 for bodily injury and \$500,000 for property damage, and such other insurance as appropriate to insure its interest. Lessee shall provide Lessor a Certificate of Insurance naming Lessor as an additional insured under said policy.

7. DAMAGE AND DESTRUCTION: Should the leased property be damaged by fire or other casualty during the Initial Term of this Lease, the County shall repair or rebuild said improvements within 120 days of the damage or destruction. If the damage or destruction occurs during the Renewal Period, the County shall rebuild the Hangar if damage incurred amounts to 50 % or less of the then replacement cost of the structure, or shall have the option to terminate this Lease, exercised by notice to Lessee given not more than 30 days from the date of such damage, if such damage exceeds 50 % of the then replacement cost of the structure.

8. LIABILITIES: County hereby expressly disclaims any and all liability for damage to the aircraft and other property of Lessee, permitted Assignees, Sublessees or Invitees, except that which may be proximately caused by negligence of Lessor or its agents. Lessee shall be liable for any damage to County's property which is proximately caused by Lessee's negligence, excluding consequential damages and lost profits.

9. SUBLEASE/ASSIGNMENT: Lessee shall have the right to sublet its interest in this Hangar Lease Agreement with the approval of the County, approval of which shall not be unreasonably withheld. Any subsequent Sublessee or approved Assignee must expressly agree to abide by all terms and conditions contained herein.

10. TIME OF THE ESSENCE: Time is of the essence in all actions required hereunder.

11. NOTICES: Notices required hereunder shall be mailed to each party as follows:

CHEROKEE COUNTY
75 Peachtree Street
Murphy, NC 28906
Attn: County Manager

Mike Lindsay
334 Bird Falls Road
Bryson City, NC 28713

Or, to such subsequent address or addresses as each party may subsequently give notice of to the other party.

12. **PROPERTY TAX ABATEMENT:** In consideration of Lessee's agreement to construct and maintain the Hangar upon the Premises, Lessor and the County agree that all property taxes upon the Hangar, its appurtenant structure, and equipment constructed or placed upon the Premises by Lessee shall be abated during the Initial Term of this Lease Agreement.

13. **STANDARD PROVISIONS:** The Standard Provisions attached hereto as Exhibit "C" are hereby incorporated herein, and may be modified by the Commission from time to time with the consent of Lessee, which consent shall not be unreasonably withheld.

14. **ENTIRE AGREEMENT:** This Agreement as set forth herein contains the entire and complete agreement of the parties, and may be amended or modified only by written instrument which sets forth such amendment or modification and which is signed by all parties hereto. This Agreement may be executed in one or more counterparts, all of which, taken together constitute one and the same agreement.

15. **GOVERNING LAW:** This Agreement shall be deemed to have been entered into in the State of North Carolina, and its interpretation and construction, and the remedies for its enforcement or breach are to be applied pursuant to and in accordance with the laws of the State of North Carolina without reference to any rules or conflict of laws.

16. **SEVERABILITY:** In the event that any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affect the substantive rights of the Parties.

17. **WAIVER:** The waiver by either Party hereto of any right hereunder, or of a material breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other material breach by said other Party whether of a similar nature or otherwise.

18. **COMMENCEMENT OF CONSTRUCTION:** Lessee shall begin construction of the improvements on or before December 31, 2009.

IN WITNESS WHEREOF, the Lessor has caused this lease agreement to be executed by its duly elected and authorized Chairpersons, and attested by its Clerks, and its official seal affixed; and, Lessee has caused this agreement to be executed individually and its seal affixed.

LESSOR:

LESSEE:

COUNTY OF CHEROKEE
BOARD OF COMMISSIONERS

Mike Lindsay

By: *Michael Doughton*
Chairman

Mike Lindsay

Attest: *Bob Lindsay*
Clerk to the Board

(OFFICIAL SEAL)

CHEROKEE COUNTY AIRPORT COMMISSION

By: *Bob Mending*
Chairman

Attest: *Samuel D. Davis*
Clerk to the Commission

(OFFICIAL SEAL)

EXHIBIT "A"

MINIMUM STANDARDS FOR HANGAR AND T-HANGAR DEVELOPMENT

Hangar development on the airport shall be in accordance with the current Airport Layout Plan and all County of Cherokee Codes and Ordinances and shall follow the minimum standards of construction and appearance as set forth below. All proposed development must be submitted in advance to the Cherokee County Airport Commission in sufficient detail for review and approval with conformance with these minimum standards. Variations may be granted on a case-by-case basis.

Building Types: Pre-engineered hangars, including open-bay and multi-unit T-hangars, shall be rigid frame metal buildings, fully enclosed with walls and doors. Exterior walls, interior liner panels, and interior dividing walls (in T-hangars) shall be pre-engineered metal panels. Each hangar shall have either horizontal rolling hangar doors or mechanically driven bi-fold door and at least one personnel door (one per storage unit in T-hangars). Buildings shall have standing seam metal roofs.

The space at each end of each T-hangar structure shall be provided with one exterior hollow metal door, frame and hardware with aluminum threshold.

SUBMITTALS:

Submit hangar manufacturer's product information, drawings and specifications of proposed construction in advance for conformance review and approval by the Airport Commission.

Submit proposed apron design in advance for approval by the Airport Commission.

Submit a written Certification prepared and signed by a North Carolina registered Professional Engineer stating that the structural engineering design meets applicable loading requirements and codes of authorities having jurisdiction.

DELIVERY, STORAGE:

Delivery and storage of the pre-engineered metal hangar building components shall be coordinated and approved in advance by the Airport Commission. The construction/erection schedule shall be coordinated with the Airport Commission prior to work beginning.

EXHIBIT "A"

CONSTRUCTION

Construction/erection shall be performed to prevent adverse impacts to adjacent sites or development. Adverse impacts include damage to existing development, erosion, excessive drainage, excessive dust or dirt, cutting of utility lines, obstructions to aircraft operations, etc. The developer shall be responsible for locating and connecting to utilities. The developer shall repair or replace any damaged items.

DEVELOPMENT COMPONENTS:

Hangar Apron: Aircraft aprons shall be of similar materials and construction as adjacent taxilane. All aircraft pavements shall be designed by the potential tenant in accordance with FAA Advisory Circular 150/5320-6D and submitted for approval. The minimum pavement design that will be accepted consists of eight (8) inches of crushed aggregate base course and four (4) inches of bituminous pavement. All work shall be constructed in accordance with NCDOT standards and specifications. Provide test results showing compliance with NCDOT requirements.

Hangar Floor: Hangar floor shall be concrete and engineered to have sufficient strength to support the loads of the design aircraft. Provide a stone base under the concrete for added stability. Thickness of stone base shall be a minimum of 4 inches. Floor shall slope to prevent standing water.

Hangar Building:

Pre-engineered hangar manufacturer shall be a reputable company with a minimum 10-year history of metal building manufacturing experience.

Rigid (Primary) Frame: Shall be from hot-rolled structural steel (ASTM A36 or A529). Provide frames that are factory welded and shop painted. Furnish frames that are complete with attachment plates, bearing plates and splice members. Factory drill frames for bolted field assembly.

Purlins, Girts and Secondary Framing: Provide not less than 16-ga. shop painted rolled formed sections.

Bolts: Provide shop painted bolts, except when structural framing components are in direct contact with roofing and siding panels. Provide stainless steel bolts when structural framing components are in direct contact with roofing and siding panels.

Prime structural steel primary and secondary framing members with the manufacturer's standard rust-inhibitive primer.

EXHIBIT "A"

Prime galvanized members, after phosphoric acid pretreatment with manufacturer's standard zinc dust-zinc oxide primer.

Exterior Siding, Interior Partitions, and Roofing: Steel sheets or panels shall be zinc-coated and not less than 26 gage, conforming to the requirements of ASTM A 525, Coating Designation G-90. Wall panels shall have a configuration of interlocking ribs not less than 1-1/8" deep, 12" on center and shall be mechanically attached to girts. Roof panels shall have standing seams not less than 2" deep, 12" on center and shall be mechanically attached to purlins with concealed fasteners. Wall sheet shall be furnished full height for exterior cladding and interior dividing partitions.

Sheet Metal Accessories: Zinc-coated steel accessories shall be provided with zinc-coated siding or roofing, including ridge vents, cap, strips and plates. Ridge vents, caps and eave strips, fascia strips, flashings, gutters and downspouts, and miscellaneous accessories shall be formed from the same material, gage and color as the roof and wall coverings.

Joint sealant material shall be provided to seal all side and end laps in metal sheets and panels, at ridges, bolt holes before inserting fasteners, for all flashings and corner closure sheets and elsewhere as necessary to provide watertight construction.

Closures: Inside and outside semi-rigid cross-linked polyethylene foam closure shall be provided as required to provide a bird proof building. Inside closure shall be self-adhesive.

Thermal Insulation: 1-1/2" minimum, glass fiber blanket insulation, complying with ASTM C 991, with vinyl film vapor barrier facing is recommended between the roof and exterior wall panels and the structural system. Insulation shall have UL flame spread classification of 25 or less. And 2 inch wide continuous vapor-tight edge tabs.

Hollow Metal Doors and Frames: Exterior personnel doors and frames shall be hollow metal. Doors shall be 3'-0" wide, 7'-0" high, and 1-3/4" thick. Hollow metal doors and frames shall be fire rated as required by local codes.

Door Hardware to include 1-1/2 pair ball bearing butts, weather stripping, and heavy-duty cylinder lock set. Lock sets shall be "Best", or as directed by the Airport Commission. Provide master keying for Airport Commission for emergency access.

Hangar Doors: Doors shall be either bottom supported sliding sections with steel floor tracks and overhead guide rails or manufacturer's standard mechanically driven bi-fold. Steel plate shall be provided at the overhead guide rails for closure. Door rollers shall be designed to withstand all radial and thrust loads imposed by dead loads and winds pressure on the door. Caster type rollers are not acceptable. Roller bearings with grease shields shall be provided. Weather seals around the hangar door sections shall provide a weather tight seal when doors are in the closed position.

EXHIBIT "A"

Where aluminum surfaces come in contact with ferrous metal or other incompatible metals, paint the incompatible metal with a coating of heavy-bodied bituminous paint.

Fluoropolymer Finish: Provide shop-applied 2-coat fluoropolymer (Kynar, Hylar) finish system to galvanized steel roofing and wall panels and related trim and accessory elements. Color of roof and wall panels shall be manufacturers standard white and as approved by the Airport Commission. Color of sheet metal accessories shall be manufacturer's standard white or blue, and as approved by the Airport Commission.

Electrical Provisions: Provide a minimum of three fluorescent interior light and one interior ground fault interrupt power outlet in each hangar unit. Provide a minimum of one exterior wall mounted light activated by photocell for each hangar apron area. Exterior wall mounted apron lights shall be shielded from above and adequate to illuminate the individual hangar unit's apron.

Water Provisions: Provide a minimum of one hose bib at each hangar structure.

Restroom: Provide a minimum of one (1) restroom in each corporate type hangar.

Building Appurtenances: Any equipment or appurtenances such as ventilation fans, etc. shall not protrude beyond the allowable footprint shown on the Airport Layout Plan or encroach upon the building separations indicated on the Plan.

Miscellaneous: Provide a gutter system and concrete splash blocks at each downspout.

COMPLETION:

Upon completion of the hangar and other improvements, the site shall be returned to its original condition. Restore all unpaved areas with topsoil and grassing.

The Airport Commission shall be notified when the improvements are complete for a walk through observation of the construction. The Airport Commission reserves the right to reject development not in accordance with these minimum standards.

Prior to occupancy, hangars must be inspected by the local building inspector and receive a Certificate of Occupancy. A copy of the Certificate of Occupancy shall be provided to the Airport Commission.

The developer shall provide the Airport Commission with the following items satisfactory to the County:

- a) Affidavit of Payment from the General Contractor

Exhibit 'B'

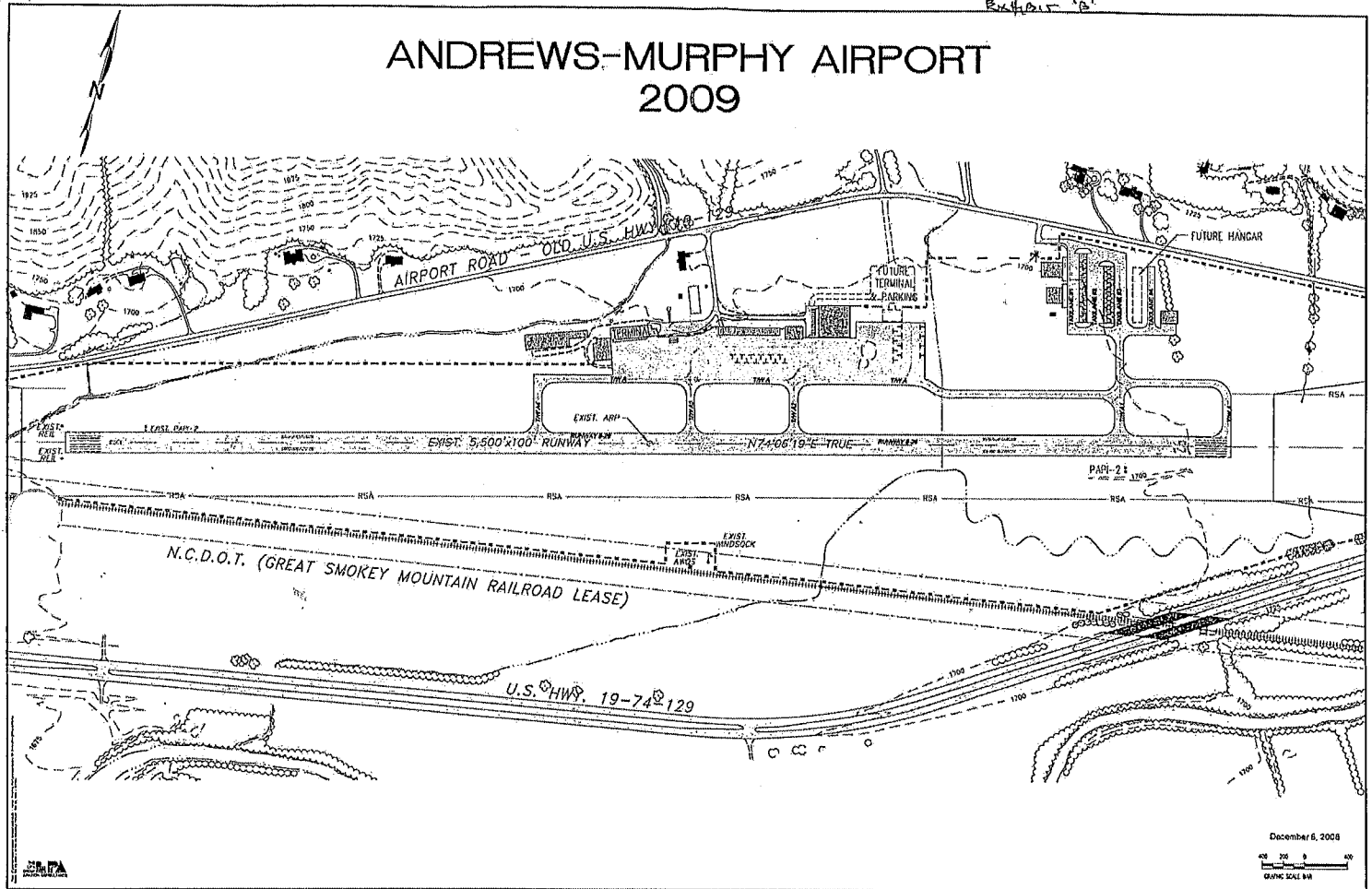


EXHIBIT "C"

HANGAR LEASE – STANDARD PROVISIONS

1. **LATE PAYMENT CHARGE:** In the event Lessee fails to pay the rent, fees, or any other charges due hereunder within ten (10) days after the agreed upon due date of such payment, the Lessor may assess a reasonable late payment penalty which shall constitute additional rent due hereunder.

2. **IMPROVEMENTS AND ALTERATIONS:** Lessee shall not make structural alterations or improvements to the structure without the express permission of the Authority, which permission shall not be unreasonably withheld.

3. **SECURITY:** Lessee agrees to abide by and cooperate with the Commission in the enforcement and implementation of applicable airport security regulations and measures. Security of the Hangar itself shall be the responsibility of the Lessee. Lessee agrees to provide Commission with a key to the lock or locking device used to secure the Hangar. Commission agrees that the key will be used by Commission only in case of emergency. Commission shall not be liable for theft, vandalism or pilferage to any items stored in the Hangar.

4. **COMMON AREAS AND FACILITIES:** Lessee shall have the right, in common with others, to use the public portion of the airport, parking areas, the ramp, taxiways, and runways for aeronautical purposes and appurtenant uses, subject to the general rules of the Authority, as set forth herein, and applicable rules of the North Carolina Division of Aviation, if any, and the Federal Aviation Administration. Lessee acknowledges that other users now and hereafter may occupy other portions of the Airport and will have the right to use the airport facilities serving their areas, and agrees that it will so conduct its operations as not to interfere with or injure such tenant's quiet enjoyment of their leases.

5. **DEFAULT:** The following shall constitute an event of default:

- a. Lessee fails to make a payment of rent, fees, or any other charges hereunder on the date the same is due, such nonpayment shall constitute an event of default if said payment is not received within ten (10) days of the due date; and,
- b. Any one or more of the following shall also constitute a default under the terms of this Lease: (1) if proceedings are commenced against Lessee in any court under a Bankruptcy Code and not dismissed within sixty (60) days, or (2) if Lessee shall fail to perform any covenant, agreement, condition, rule, or regulation herein contained or hereafter established by amendment hereto, and which shall continue for more than fifteen (15) days after written notice of such default by the Authority.

Upon default, as provided above, the County shall have the right to terminate this Lease and re-enter or repossess the leased property, and dispossess and remove therefrom the Lessee or other occupants, and their effects, without waiving the County's other legal remedies upon such default.

6. **COVENANT OF QUIET ENJOYMENT:** The County covenants and warrants that it has good title to the premises, has the right to lease said premises, is authorized to enter into this agreement, and that Lessee shall be entitled to the quiet enjoyment of the premises without interference from third parties during the Lease Term.

7. **RULES AND REGULATIONS:** Lessee agrees to abide by the Rules and Regulations for Andrews-Murphy Airport as adopted by the Board of Commissioners of Cherokee County on the 19 day of November 1990.

**CHEROKEE COUNTY TAX COLLECTOR
REQUESTS FOR RELEASE**

10/30/2019 thru 11//2019

Taxpayer Name	Year	Bill#	Tax Amt	Reason
BellSouth Tel Co dba: AT&T NC	2019	200114	15.88	BellSouth incorrectly reported wrong amounts to NC DOR
BellSouth Tel Co dba: AT&T NC	2019	200113	8.68	BellSouth incorrectly reported wrong amounts to NC DOR
BellSouth Tel Co dba: AT&T NC	2019	200112	300.21	BellSouth incorrectly reported wrong amounts to NC DOR
GMP Mountain Properties LLC	2019	37969	31.41	A defunct LLC, was never utilized for any business purpose
Roberts, Tiffany Nicole	2019	28908	105.56	Double billed to Acct 36547
Roberts, Tiffany Nicole	2018	15264	107.59	Double billed to Acct 36547
Roberts, Tiffany Nicole	2017	28760	109.82	Double billed to Acct 36547
Roberts, Tiffany Nicole	2016	28514	112.12	Double billed to Acct 36547
Roberts, Tiffany Nicole	2015	37333	111.20	Double billed to Acct 36547
Roberts, Tiffany Nicole	2014	200081	120.25	Double billed to Acct 36547
Roberts, Tiffany Nicole	2014	200080	119.54	Double billed to Acct 36547
Stiles, Derrick Jason	2019	32416	11.91	1985 Ebbtide Dynatrak 15' sold prior to 2019
Dalrymple, April Lowe	2010	7346	3.24	1998 Polaris SLTH 10' went with ex-husband prior to 2010
Dalrymple, April Lowe	2011	7456	2.58	1998 Polaris SLTH 10' went with ex-husband prior to 2010
Dalrymple, April Lowe	2012	200158	8.93	1998 Polaris SLTH 10' went with ex-husband prior to 2010
Dockery, Jeffrey Weston	2015	9050	3.50	1998 Landau 1456 Jon Boat 14' sold prior to 2015
Dockery, Jeffrey Weston	2016	9173	2.82	1998 Landau 1456 Jon Boat 14' sold prior to 2015
Dockery, Jeffrey Weston	2017	9278	17.74	1998 Landau 1456 Jon Boat 14' sold prior to 2015
Dockery, Jeffrey Weston	2018	1465	18.10	1998 Landau 1456 Jon Boat 14' sold prior to 2015
Dockery, Jeffrey Weston	2019	9287	37.94	1998 Landau 1456 Jon Boat 14' sold prior to 2015
Graham, Tony & Kathy	2019	200215	407.45	Rollback bills created in error
Graham, Tony & Kathy	2019	200216	407.45	Rollback bills created in error
Graham, Tony & Kathy	2019	200217	407.45	Rollback bills created in error
Graham, Tony & Kathy	2019	200218	418.40	Rollback bills created in error
Mongelluzzi, Francis Michael	2019	38000	6.28	MYTG-2007 Expr UL-Both registered & sold in 2018-Did not own Jan 1, 2019
Early, Joseph Gary	2011	580709	12.45	Deceased 6/22/11 - no estate, uncollectable
Edenscapes/Patrick, Lawrence Eugene	2010	557806	11.69	Deceased 09/13/2010 - no estate, uncollectable
TOTAL RELEASES REQUESTED			<u>2,920.19</u>	

RUN DATE: 11/13/2019 8:53

CHEROKEE COUNTY REFUND REPORT

NAME	BILL NUMBER		AMOUNT	OPER	DATE TIME
27379 DOCKERY JEFFREY	2018-1465	PERSONAL PROPERTY	57.35	EVELYN	11/7/2019 12:20:44 PM
31 LUCIAS PARADISE WAY MURPHY, NC 28906		BANK SENT CHECK AFTER ANOTHER BANK PAID BALANCE BANK ATTACH SECU CK 150970 REFUND RECIPIENT:			
12806 WEST CONTRACTING INC	2019-36068	RP: 553501068655000	860.76	DEBORAH	11/4/2019 3:37:11 PM
PO BOX 310 MARBLE, NC 28905		PD BY ATTORNEY'S OFFICE REFUND RECIPIENT:			
201054708100 WHIDDEN FRANK WALTER	2010-547081	MOTOR VEHICLE: 201005N	85.43	HUGO	11/5/2019 1:32:59 PM
145 RED BELT LN MURPHY, NC 28906-6450		DATAMAX COLLECTED TOO MUCH MONEY FROM DEBT SETOFF DEBT SETOFF 11/05/2019 REFUND RECIPIENT:			
TOTAL REFUNDS PRINTED:		1,003.54			
TOTAL VOID REFUNDS:		0.00			
TOTAL:		1,003.54			

STATE OF NORTH CAROLINA

COUNTY OF CHEROKEE

WESTERN CAROLINA REGIONAL AIRPORT
FIXED BASE OPERATOR AGREEMENT AND LEASE

THIS AGREEMENT AND LEASE (the "Agreement") is made and entered into as of the 1st day of September, 2019 by Cherokee County, a Body Politic and a Political Subdivision of the State of North Carolina (collectively "Owners"), and Western Carolina Aviation, LLC ("Operator").

WITNESSETH

WHEREAS, Owners are the developers and owners of an airport and all improvements thereon, located in the valley between the towns of Murphy and Andrews, Cherokee County, North Carolina (the "Airport");

WHEREAS, the Owners desire to lease to Operator a portion of said Airport property for the purpose of conducting the business of a Fixed Base Operator;

NOW, THEREFORE, for the mutual considerations hereinafter stated, the Owners do hereby demise and lease unto the Operator and the Operator does hereby hire and rent from the Owners, all of that portion of said Airport hereinafter described subject to the exceptions hereinafter set forth, all upon the following terms and conditions:

1. Leased Premises

The Leased Premises is all of that portion of said Airport property more particularly described on a plat labeled Exhibit "A" and incorporated herein by reference. Operator also maintains a non-exclusive right to the use of the remainder of the Airport Property. Operator hereby grants to the public a non-exclusive right of ingress and egress over those areas necessary for their use and enjoyment of the Airport.

2. Use of Premises

a. Use by Lessee

It is mutually agreed by and between the parties hereto that the Leased Premises shall be used for the purpose of conducting the business of an FBO, and for no other purpose. As used in this Agreement, the business of an FBO shall be defined to include, but not be limited to, the following: retail sale of fuel and oil for aircraft, sale of accessories and supplies for aircraft and operations, sale of aircraft parts, electronic equipment and avionic equipment, sale of new and used aircraft, maintenance of aircraft engines and air frames, flight instruction of all kinds, aircraft rental, air taxi service,

Aircraft storage and tie-down and other related aviation activities which are now or may become in the future customary for FBO's to perform.

b. Peaceful Employment

The Operator shall have full, quiet, peaceful enjoyment of the Leased Premises during the terms of this Agreement, inclusive of ingress and egress to and from the Leased Premises, subject only to this Agreement and such reasonable rules, regulations and Airport policies and Minimum Standards as written, posted, adopted, and as may from time to time be amended by the Owners and which are incorporated herein by this reference.

c. Sales of Petroleum Products

The operator shall sell petroleum products for servicing of aircraft and owner shall furnish up to \$250 of maintenance split 50/50 over \$250 would be county to maintain the necessary equipment to store in above ground storage tanks on the leased premises. The owner shall maintain an adequate supply of petroleum products for sale at the times set forth in the Airport Minimum Standards. The operator shall also provide after-hours service at the Airport through the use of on-call staff, self-service credit card pumps or a combination of the two. Fuel products sold shall be paid to the Owners and all profit shall be divided 50/50 between the Owners and Operator on a monthly basis with Owners paying the Operator by the 15th of each month along with a statement of all sales. This date can be adjusted when agreed by both parties.

At the end of the day on the last day of each month a physical inventory of the petroleum products will be taken. The number of gallons by fuel type, in inventory will be promptly emailed to finance@cherokeecounty-nc.gov. The Cherokee County finance office will compare the gallons sold/used to the reduction in gallons per the physical inventories taken. Any monthly difference of 150 gallons or less will be split equally between the Operator and Owner. Any monthly differences greater than 150 gallons will be presented to the County Commissioners, at their next regular meeting, for their determination (by majority vote) as to how the differences will be applied.

The petroleum sales receipts/ credit card slips will be delivered weekly to the Cherokee County Finance Office at 75 Peachtree Street, Murphy, NC, 28906. The sales receipts/ credit card slips for each month are due to Cherokee County Finance Office by 5 p.m. on the 10th of the following month.

d. Conference Rooms

Owners, their departments and the officials acting in their official capacity, shall have priority for reservation and use of the conference room at the Airport for County business or industrial development meetings and/or conferences.

3. Terms of Agreement

The terms of this Agreement shall commence on September 1, 2019 and terminate on August 31, 2024.

This Agreement can be terminated by the Operator at any time with a 60 day written notice to the Owner. This Agreement can be terminated by the Owner at any time with a 60 day written notice to the Operator.

4. Income from Other

Operator shall receive all income from (a) External tie-downs and transient parking, (b) All hangers west and east of the Wells and West Hanger (ie) hangers 1A-6 and adjoining the existing terminal building known as concrete block hangers and maintenance building, and future T-Hangers. (c) The Operator is to receive 18 percent on hanger rent on planes stored or hangered in the Wells and West Hangers in the Agreement made between Charles West and the County. The County will retain the remaining 10 percent on hanger rent on planes stored or hangered in the Wells and West hangers in the Agreement made between Charles West and the County.

5. Maintenance

a. Maintenance of Improvements

The Operator may, throughout the term of this Agreement, at its own cost, and without any expense to the Owners, keep and maintain the Leased Premises, including buildings and improvements of every kind which may be a part thereof, and all appurtenances thereto, including but not limited to the fuel farm and all associated equipment, heating and cooling systems (HVAC) and plumbing system stoppages, light bulbs and ballast and sidewalks, in good, sanitary and neat order, whether such buildings or equipment on the Leased Premises were erected or are owned by the Owners or the Operator. Owners shall be responsible for the repair, maintenance and replacement of all plumbing systems (other than stoppages), all roof structures, and electrical breaker boxes and systems. In addition, Owners shall be responsible for the total replacement or repairs to all heating and cooling (HVAC) systems and the fuel farm and associated equipment.

b. Maintenance of Runways and Taxiways

The Owners will maintain runways and taxiways in a useable condition, except those portions thereto which may be closed to air traffic during periods of repair or construction or for any purpose deemed necessary by the Owners, provided however, that the Operator shall always be provided reasonable access to the Airport from the Leased Premises. Furthermore, Operator shall maintain a one hundred (100) foot radius around the AWOS in accordance with applicable Federal Aviation Administration Standards.

c. Trash and Refuse

The Operator agrees to keep the Airport property included in the Leased Premises in a clean, neat and presentable manner and free from refuse, garbage and other debris at the Operator's own expense in accordance with all applicable laws and ordinances and any reasonable rules, regulations and Airport Policies and Minimum Standards as written, posted, adopted, and as may from time to time be amended by the Owners.

6. Utilities

a. Payment by the Owners

The Owners shall pay for all utility costs, including, but not limited to, power, gas, communication, garbage and water, applicable to the Leased Premises. The Owners shall pay all utility costs for and shall maintain the runway and taxi light, beacon lights, outside security lighting system, automated weather observation system and all existing and future navigational aids

7. Public Use of Airport

The Operator agrees to operate the Leased Premises for the use and benefit of the public and to make available all leased airport facilities and the Fixed Base Operator services to the public without discriminatory or otherwise unreasonable charges or fees for any services provided. It is agreed that rates or charges for the activities and services provided by the Operator shall be fixed by the Operator and subject to the Owners approval, such approval not to be arbitrarily or unreasonably withheld.

8. Indemnification

a. General Liability

The Operator shall indemnify, save and keep the Owners, their officers, employees, and agents free and harmless from and against any and all actions, suits, proceedings, claims, and demands for injury, damage, loss, liability, and all expenses incidental to the defense of any such claims, litigation and actions, of any kind or nature whatsoever, which may be brought, made or filed against the Owners, their officers, employees and agents, based upon or arising out of damage or injury (including death) to persons or property, including employees and property of the Operator, caused by or sustained in connection with the performance of this Agreement or by conditions created thereby, and shall assume and pay for, without cost to the Owners, the defense of any and all claims, litigation and action, suffered through any act or omission of the Operator or any subcontractor or anyone directly or indirectly employed by or under the supervision of any of them, or in any way arising out of the performance of this Agreement, except such damage or injury as may be caused by the gross or sole negligence of the Owners, or their agents.

b. Environmental

Neither the Operator, nor, to the best knowledge of the Operator, any other person, have received any notice of (i) the happening of any event involving the misuse, spill discharge or cleanup of any Hazardous Material on, in, or under the Leased Premises or (ii) any complaint, order, citation, notice, claim of contribution or claim for payment with regard to any Hazardous Material, the violation or alleged violation of any Environmental Law or for injury to the environment or human health from any person, including, without limitation, the United States Environmental Protection Agency, and if the Operator receives any such notice, then the Operator will give within three (3) business days, oral and written notice of same to the Owners.

The Owners shall have the right, but not the obligation, to enter onto the property and to take such actions as it reasonably deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any of the events described above, which, if true, could result in an order, suit or other action against the Owners affecting any part of the Leased Premises by any governmental agency or otherwise which, in the sole opinion of the Owners, could jeopardize the Owners.

9. Insurance

a. General/Airport Liability Insurance

The Operator shall maintain in force during the terms of this Agreement comprehensive general public liability and property insurance, including products/completed operations liability insurance, ground hanger keepers coverage, malpractice, and personal injury and advertising injury coverage. Such insurance shall be obtained from a company authorized to do business in the State of North Carolina. The Operator shall also maintain such other insurance as required by the Airport Minimum Standards. The Operator shall, at his option, maintain insurance on the contents of any part of the Leased Premises.

b. Fire Insurance

The Owners shall obtain and provide during the term of this Agreement fire and extended coverage insurance on all buildings and other improvements within the Leased Premises for the full replacement cost thereof. The Owners shall pay the premiums for such insurance.

c. Certificate of Coverage

The Operator shall furnish to the Owners a certificate establishing the existence of the insurance required in subparagraphs above containing the following information:

- i. The coverage and policy limits;
- ii. The location and the operations to which the insurance applies;
- iii. The expiration date of policies.

Prior to ten (10) days before the expiration of any such certificate, the Operator shall deliver to the Owners a certificate renewing or extending the terms for a period of at least one (1) year or a certificate acceptable to the Owners evidencing the required insurance coverage. If such coverage is cancelled, reduced or materially changed, the Operator shall, within fifteen (15) days after receipt of written notice of such cancellation, reduction or material change of coverage, file with the Owners a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

10. Compliance with Laws and Regulations

a. Subordination of Leased Premises to USA

It is agreed and understood that this Agreement, and the provisions hereof, shall be subject and subordinated to the rights of the United States of America as set forth in the terms and conditions of the instruments and documents under which the Owners acquired the Airport property and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions of said instruments and documents.

b. Non-Discrimination

The Operator agrees that in its operation and use of the Leased Premises and the Airport it will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Department of Transportation Regulations or the provisions of any other applicable laws or regulations.

c. Airport Rules and Regulations

The Operator agrees to abide by all rules and regulations concerning operational safety, and all amendments thereto, parking or aircraft and other vehicles, fire prevention and all other pertinent provisions as promulgated by the Owners and the Code of Cherokee County, copies of which rules and code are available to Operator in the office of the Aviation Director. The Operator further agrees to comply with all Minimum Standards promulgated by the Owners, and all amendments thereto, and such Minimum Standards are expressly incorporated in this Agreement.

d. FAA Rules and Regulations

The Operator shall at all times conduct its business in a lawful manner and at all times conform to the rules and regulations of the Federal Aviation Administration insofar as applicable to the Operator's possession of the Leased Premises and its business.

e. No Derogation of Rights of Operator

The Operator shall not knowingly omit or fail to do anything or permit anything to be done on or about the Leased Premises, or bring or keep anything on the Leased Premises or in any improvement of facility erected thereon, which will in any way conflict with any law, ordinance, rule or regulation required to be kept and observed by Operator which is now in force or which may hereinafter be enacted or promulgated by any public authority having jurisdiction over the Premises.

f. Authority to Enter Agreement

Both parties hereto represent and warrant that they have the power and authority to enter into this Agreement and perform according to the terms hereof; that such performance hereof shall not violate any applicable law, regulation or ordinance to which they are subject nor any agreement, understanding or arrangement by which they are bound; that all necessary acts and events have taken place to render this Agreement enforceable once executed by the parties and approved by the County Commissioners.

g. Legal Proceedings

Operator shall immediately notify the Owners of any lawsuit or legal proceeding which in any way related to or arises from any property or activity at the Airport, including but not limited to proceedings filed in the State or Federal Court, before any State or Federal regulatory agency or commission, the FAA, the EEOC, the ICC or the Aviation Division of the North Carolina Department of Transportation.

11. Liability

a. Abandonment

The Operator shall not vacate or abandon the Leased Premises at any time during the term hereof, and if the Operator shall abandon, vacate for more than 2 days or surrender the Leased Premises or be dispossessed by operation of law or otherwise, any personal property belonging to the Operator and left upon the Leased Premises and all of the Operator's improvements and facilities thereon shall, at the option of the Owners, be deemed to be abandoned by the Operator and shall, at the option of the Owners, become the property of the Owners.

b. Liens

The Operator shall keep the Leased Premises and all improvements thereon free from any and all liens arising out of any work performed, materials furnished or obligation incurred by the Operator, Operator's employees, agents or contractors. The Operator agrees to indemnify and save Owners harmless from any such liens and to pay to Owners, upon demand, the cost of discharging such liens with interest at the rate of nine percent (9%) per annum from the date of such discharge, together with reasonable attorney's fees in connection with the settlement, trial or appeal of any such lien matter.

c. Bankruptcy

In the event that bankruptcy or state insolvency or receivership proceedings shall be filed and sustained by or against the Operator, its successors or assigns, in any Federal or State Court, the Owners, at their option, may immediately declare this Agreement null and void, and at once resume possession of the Leased Premises and improvements thereon. No receiver, trustee or other judicial officer shall ever have any right, title or interest in or to the Leased Premises by virtue of this Agreement, except as required by law.

12. Report of Aircraft

On or before January 15 of each calendar year, the Operator shall provide to Owners a report of all known aircraft based at the Airport as of January 1, under the Operator's possession or control, such report to include the name of the registered owner, the type of aircraft, and the aircraft registration number.

13. Inspection of Leased Premises

The Owners or their duly authorized representatives may enter upon the Leased Premises at any and all reasonable times during the term of this Agreement for the purpose of reasonably determining whether or not the Operator is complying with the terms and conditions hereof.

14. Title

During the term of this Agreement and upon completion of any improvements, title to any and all improvements placed on the Leased Premises by Operator shall be vested in the Owners. Other buildings and improvements may be constructed on the Leased Premises by the Operator, but prior to making major alterations, erecting any buildings or installing any improvements on the Lease Premises, the Operator shall obtain approval of the Owners, and the FAA if required, of the plans and specifications of the proposed building or other improvements and the Owners shall further have the right to approve the location of any building or other improvements upon the Leased Premises, such approval not to be unreasonably withheld.

15. Damage or Destruction of Leased Premises

a. Damaged Premises

In the event that a part of the Leased Premises is damaged by fire or other causes, this Agreement shall continue in effect, and the Owners shall rebuild and/or repair as expeditiously as possible, and the Rental shall continue as provided herein, subject to reasonable adjustment during the repair period.

b. Destroyed Premises

If the improvements on the Leased Premises are destroyed by fire or any other cause, or damaged as to be unusable, Owners shall have the option to either (a) terminate this Agreement or (b) rebuild as expeditiously as possible. Owners shall notify Operator of which alternative it elects within thirty (30) days after the date of the determination of the amount of insurance proceeds.

16. Condemnation

a. If at any time during the Term of , the whole or the Leased Premises shall be taken for any public or quasi-public use, under any statute, or by right of eminent domain, then, in such event, when possession of the Leased Premises shall have been taken thereunder by the condemning authority, the Term and all rights of the Operator hereunder shall immediately cease and terminate, the entire award from the condemning authority shall belong to Owners, and the rent shall be apportioned and paid to the time of such termination

b. If only part of the Leased Premises shall be so taken or condemned, the entire award shall belong to the Owners without any deduction therefrom for any estate or interest of the Operator, and the Operator hereby assigns to the Owners any and all such award with any and all rights, estate and interest of the Operator now existing or hereafter arising in and to the same or any part thereof; provided,

however, if the part of the Leased Premises so taken or condemned shall reduce the Premises to such extent as to prevent Operator from continuing the substantial operation and conduct of its business on the Leased Premises, then the Operator shall have the right, at its election, to cancel and terminate this Agreement. If the Agreement is not so terminated, rent shall be abated in proportion to the portion of the Leased Premises so taken.

17. Event of Default

Upon the occurrence of an "event of default by the Operator, "which is not cured within the time period given, the Owners, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Leased Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of the Operator. Should the Owners elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate the Agreement, or re-let the Leased Premises and any improvements thereon or any part thereof for such term or terms (which may be for a term extending beyond the term of this Agreement) at such rent and upon such other terms and conditions as Lessor in its sole discretion may deem advisable, with the right to make alterations and repairs to improvements on said Leased Premises. Upon such re-letting:

- a. The Operator shall be immediately liable to pay the Owners, in addition to any indebtedness, the cost and expenses of such re-letting and of such necessary alterations and repairs reasonably incurred by the Owners, and the amounts, if any, by which the rent reserved in this Agreement for the period of such re-letting (up to, but not beyond the term of this Agreement) exceeds the amount agreed to be paid as rent for the Leased Premises for the period of such re-letting; or
- b. At the option of the Owners, from such re-letting shall be applied; first, to the payment of any indebtedness, due hereunder from the Operator to the Owners; second, to the payment of any costs and expenses of such re-letting and of such alterations and repairs.

No such re-entry or taking possession of the Leased Premises and any improvements, thereon, by Owners shall be construed as an election on its part to terminate this Agreement unless a written notice of such intention is given to the Operator. Notwithstanding any such re-letting without termination, the Owners may, at any time thereafter, elect to terminate this Agreement for any breach, in addition to any other remedy it may have, and in such event, the Operator's interest in any and all buildings and improvements on the Leased Premises shall, at the option of the Owners, automatically pass to Owners, and Owners may recover from the Operator all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, and including the worth at the time of such termination of the excess.

18. Non-Waiver of Defaults

The waiver by the Owners or Operator of any breach by Owners or the Operator of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of same or any other term, covenant or condition of this Agreement. No term, covenant, or condition hereof

can be waived except by written consent of Owners or Operator; and forbearance or indulgence by Owners or Operator, in any regard whatsoever, shall not constitute a waiver of the term, covenant or condition to be performed by the Operator or Owners to which the same may apply; and until complete performance by the Operator or Owners of the term, covenant or condition Owners or Operator shall be entitled to invoke any remedy available to it hereunder by law, despite such forbearance or indulgence.

19. Termination by the Operator

The Operator may cancel this Agreement at any time if the Airport ceases to be used as an airport.

20. Waivers

No waiver by Owners or Operator at any time of any of the terms, conditions, covenants or agreement of this Agreement, or non-compliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by the Operator. No delay, failure or omission of the Owners to re-enter the Leased Premises to exercise any right, power, privilege or option arising from any default nor subsequent acceptance of fees then or thereafter accrued, shall impair any such right, power, privilege or option or be construed to be a waiver of any such default or acquiescence therein. No notice by Owners or Operator shall be required to restore or revive time as of the essence hereof after waiver by Owners or Operator of default in one or more instances. No option, right, power, remedy or privilege of Owners or Operator shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, power, options or remedies given the Owners by this Agreement are cumulative and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one right, power, option or remedy by Owners or Operator shall not impair its right to any other right, power, option or remedy.

21. Public Use and Federal Grants

a. Grant Agreements

The Leased Premises and the Airport are subject to the terms of those certain sponsor's assurances made to guarantee the public use of the Airport as incidental to grant agreements between Owners and the United States of America as amended, and the Operator represents that none of the provisions of this Agreement violate any of the provisions of the Sponsor's Assurance Agreement.

b. Non-Exclusive Rights

Nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

c. Right to Develop Airport

The Owners reserve the right to further develop or improve the Airport and all roadways, parking areas, terminal facilities, landing areas, and taxiways as it may see fit, regardless of the desires or views of the Operator and without interference or hindrance, with reasonable attempts being made by Owners not to interfere with or hinder the Operator's rights under this Agreement.

d. Subordination of Lease

This Agreement shall be subordinate to the provisions of any existing or future agreement between the Owners and the United States of America, its Boards, Agencies or Commissions relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds on the development of the Airport and to the existing deeds of land upon which the Airport is situated

e. Right to Amend

In the event that the Federal Aviation Administration or its successors shall require any modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, the Operator hereby consents to such amendments, modifications revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to obtain such funds; provided, however, that in no event will the Operator be required, pursuant to this paragraph, to accept an increase in fees or rent provided of hereunder or accept a charge in the use of, accept a reduction in the size of the Leased Premise, or to accept any change which would adversely affect the rights of any mortgagee, beneficiary, payee or trustee.

22. Assignment

Operator shall not sublet or assign, either voluntarily or involuntarily, the Leased Premises, or any part thereof, without the express written consent of the Owners, such consent not to be unreasonably withhold, and shall not permit any transfer of the Leased Premises by operation of law, nor shall mortgage any interest created by this Agreement. A transfer of 50% or more of the Operators business shall constitute an assignment of this Agreement and requires the express written consent of the Owners.

23. Prevention of Trespass

The Operator agrees to use Operator's best efforts to prevent unauthorized persons from gaining access to the Airport in restricted areas through the Leased Premises.

24. Notices

All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when deposited in the United states mail, postage prepaid, certified, return receipt requested, or hand-delivered or delivered by an overnight delivery service and addressed as follows;

a. Owners: Cherokee County
75 Peachtree Street
Murphy, North Carolina 28906

b. Operator: Western Carolina Aviation, LLC C/o
Gayland Trull
P.O. Box 207
Mineral Bluff, GA 30559

25. Surrender of Leased Premises

Operator shall, upon the termination of this Agreement in any manner, quit and deliver up the Leased Premises to Owners peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by Owners or Operator, reasonable use and wear excepted. Any property installed by Operator on the Leased Premises that can be easily removed without damaging the Leased Premises may be removed by Operator upon the termination of this Agreement

26. Relationship Between the Parties

Owners are neither a joint venture with nor a partner or associate of the Operator with respect to any matter provided for in this Agreement. Nothing herein contained shall be construed to create any such relationship between the parties or to subject Owners to any obligation of the Operator whatsoever.

27. Time of the Essence

Time is expressly to be of the essence as to each and every term and provision of this Agreement.

28. Lease Made In North Carolina

This Agreement has been made in and shall be construed in accordance with the laws of the State of North Carolina.

29. Headings

The headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Agreement.

30. Venue

This Agreement has been executed and is to be wholly performed in Cherokee County, North Carolina, and for the purposes of venue, all suits or causes of action arising out of this Agreement shall be brought in the Courts of Cherokee County, North Carolina or the applicable United States District Court.

In the event a dispute or controversy arises out of or relating to this Agreement, such dispute or controversy shall be submitted to a certified mediator agreed upon by the parties. If

the parties are unable to agree upon a mediator, a mediator shall be assigned by the Cherokee County Clerk of Superior Court to a certified mediator. Such mediation shall be within the confines of Cherokee country, North Carolina. Parties consent and agree that no suit in law or equity shall be brought in any court, state or federal, until such mediation is complete.

b. Courtesy Vehicle

The FBO shall have possession of a certain 2004 Jeep Grand Cherokee, VIN#1J4GW48S34C380167, owned and registered to Cherokee County for the use and benefit of visitors to the WCRA. Cherokee County shall maintain ownership, title registration and liability insurance for said vehicle. FBO shall be responsible for any and all fuel and upkeep of the vehicle. Maintenance minor in nature less than \$100.00 will be paid by the FBO; Maintenance more than \$100.00 will be paid by the county.

Said vehicle is specifically prohibited for use as a rental vehicle or any other commercial or personal use by FBO, its employees, designates, bailees, licensees or successors in interest. FBO shall forever indemnify, hold harmless and forever defend Cherokee County for any and all claims regarding the use and operation of said vehicle by any and all claimants. Said vehicle is accepted by Lessee as is, where is and without warranty. Lessor shall have right to inspect said vehicle at will.

31. Financial and Operational Records

Operator consent and agrees to make available all financial and operational records to Owners for the purposes of conducting review, reconciliation and audit of the sale of petroleum products, lease income of any and all other income to the facility, as well as any and all expenditures made in the conduct of Airport maintenance and operations under this Agreement including bank records. Such inspections of records shall be allowed upon no less than 48 hour notice by Owners to Operator. Owner may inspect and copy such records as needed to review, reconcile and audit said records.

32. Accounts

Operator of this public property, owned by the people of Cherokee County, North Carolina, shall maintain a separate and exclusive bank account or accounts for the purpose of the operation and maintenance of the leased premises. Owner shall be granted access to these records upon request for purpose of review, reconciliation and audit.

33. Amendment: Entire Agreement

This Agreement is the full and financial expression of the Agreement of the parties and supersedes all prior oral and written agreements between the parties. All duties, obligations and liability of Owners and Operator hereunder can be amended only in writing signed by both parties.

34. Binding Effect

This Agreement shall bind and inure to the benefit of the Owners and the Operator and their respective heirs, executors, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the Owners and Operator have caused the Indenture to be duly executed and sealed this the day and year first above written.

Owners:

CHEROKEE COUNTY

CORPORATE SEAL

By: _____
Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners

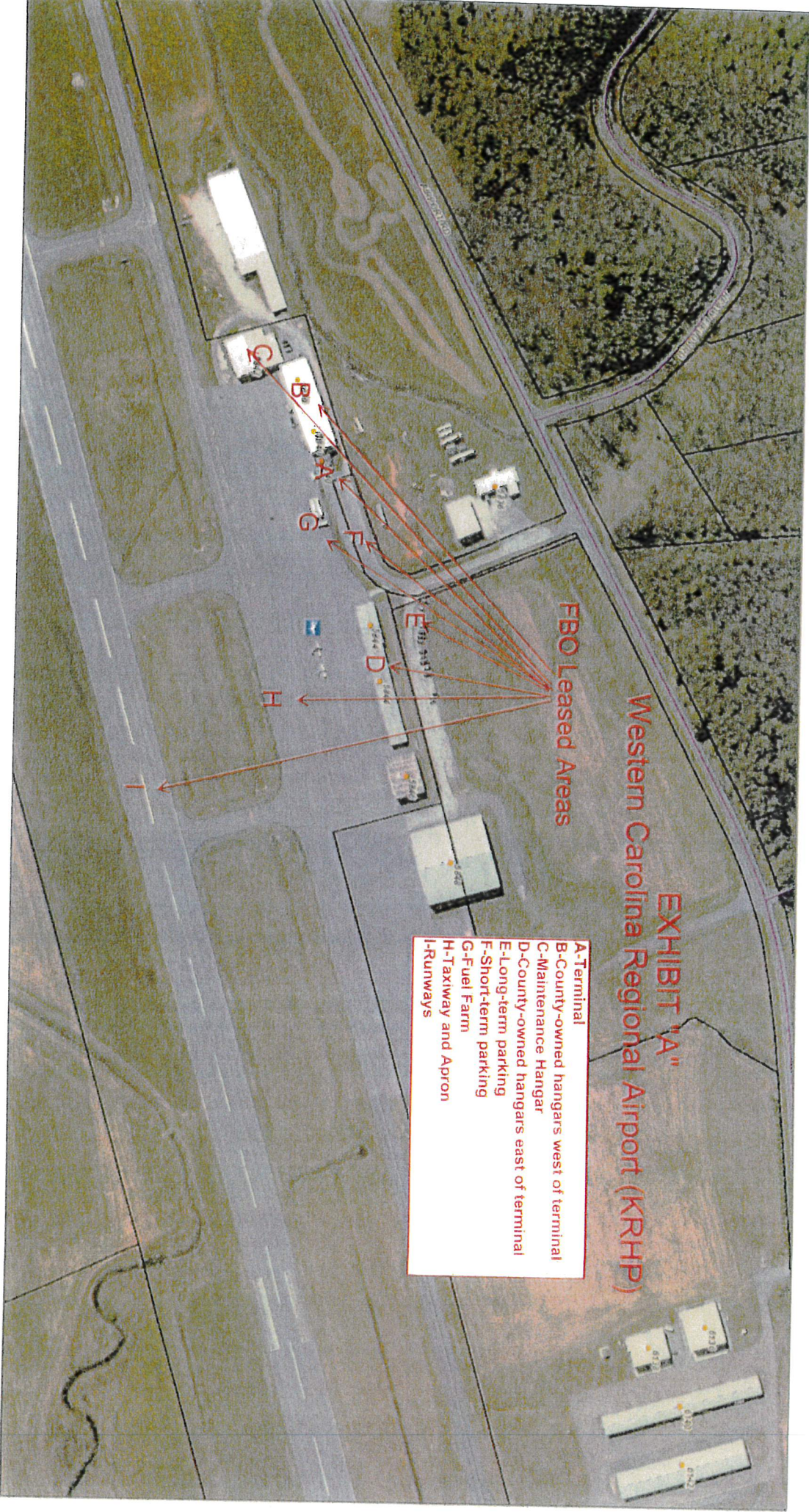


EXHIBIT "A"
Western Carolina Regional Airport (KRHP)

FBO Leased Areas

- A-Terminal
- B-County-owned hangars west of terminal
- C-Maintenance Hangar
- D-County-owned hangars east of terminal
- E-Long-term parking
- F-Short-term parking
- G-Fuel Farm
- H-Taxiway and Apron
- I-Runways